

Mr. PRICE of Georgia. Mr. Chairman, the gentleman from Texas is unable to be here this evening, although this is, indeed, his amendment. I would ask unanimous consent that it be identified as such for all proceedings of the House.

The Acting CHAIRMAN. The Chair cannot entertain the gentleman's request.

Mr. PRICE of Georgia. Mr. Speaker, this amendment would strike section 738 of this legislation, which, as drafted, would have the same effect as language already included in a number of the Democrat majority's other appropriations bills, preventing funds from being spent to conduct public/private competitions.

While this policy may be good for increasing dues payments to public-sector union bosses, it is unquestionably bad for taxpayers and for Federal agencies because agencies are left with less money to spend on their core mission when Congress takes the opportunity to save money through competition away from them.

In 2006, Federal agencies "competed" only 1.7 percent of their commercial workforce, which makes up less than one-half of 1 percent of the entire civil workforce. This very small use of competition for services is expected to generate savings of \$1.3 billion over the next 10 years. Competitions completed since 2003 are expected to produce almost \$7 billion in savings for taxpayers over the next 10 years. This means that taxpayers will receive a return of about \$31 for every dollar spent on competition, with annualized expected savings of more than \$1 billion.

But the particular language included in this bill is even worse. The underlying language goes further than past Democrat efforts to gut public/private competition by unnecessarily delaying and complicating how the most efficient delivery of commercial activities is determined. This newest attempt to stack the deck against competition for services that can easily be found in the Yellow Pages also creates uneven and duplicative protest rights and intrusive new data requirements, while ignoring the consideration of quality in determining the best source of commercial services for the taxpayer.

In short, Mr. Chairman, by allowing this language to remain in the underlying legislation, approximately \$200 million in expected annual savings from planned competitions will be placed at risk.

Additionally, by removing quality from the list of factors in determining who wins a competition, this bill would double costs in many competitions. In this time of stretched budgets and bloated Federal spending, Congress should be looking to use all of the tools it can to find taxpayer savings and reduce the cost of services that are already being provided by thousands of hardworking private companies nationwide.

At this point I will insert into the RECORD a letter of support for this

amendment from the Fair Competition Coalition. A portion of that letter reads, This provision will discourage many private-sector firms from participating in the competitive sourcing contracting process. Section 738 would penalize private-sector bidders that offer health insurance benefits to their employees. The Office of Management and Budget reports that the competition under the A-76 process creates an average savings of 15 to 20 percent for the American taxpayer.

THE FAIR COMPETITION COALITION,

June 27, 2007.

DEAR REPRESENTATIVE: As you continue consideration of the FY 2008 appropriations bills, I would like to bring to your attention some anticompetitive language that was included in Section 738 of the FY 2008 Financial Services and General Government Appropriations Act. This provision will discourage many private sector firms from participating in the competitive sourcing contracting process, which is being held at most Federal agencies. The members of the Fair Competition Coalition ask that you support an amendment offered by Representative Pete Sessions (R-TX) which would strike the Section 738 language from the bill.

Section 738 would penalize private sector bidders that offer health insurance benefits to their employees. In an unprecedented intrusion into the competitive process, this provision singles out one benefit element, and ignores the reality of the total compensation packages commonly offered in the private sector. These compensation packages typically include a wide range of health, matching retirement, bonus/incentive, professional and personal development, and other benefits. It also undermines and ignores unique and innovative health benefits plans, particularly those that are provided by the small business community.

Section 738 also would allow employees of the Federal government to protest the award to the private sector. Congress and the Executive Branch have properly excluded Federal employees from challenging agency management decisions in Federal court. Beyond the constitutional questions of whether such action creates the required "case or controversy," the President has properly asserted his responsibility to supervise the "unitary" executive branch and opposed establishing "interested party" status for these decisions.

Already many companies are not pursuing A-76 competitions, and the language in Section 738 will drive companies further away from the process. The Office of Management and Budget reports that the competition under the current A-76 process creates an average savings of 15% to 20% for the American taxpayer. The proven benefits of competitive sourcing are too high to place arbitrary restrictions on the program. We urge you to support effectiveness and efficiency in Government by voting YES to the Sessions amendment.

If you have any questions, please contact our Coalition points of contact: Michele Kaplan of the Professional Services Council or Kent Sholars of the Contract Services Association.

Sincerely,

Aerospace Industries Association, American Congress on Surveying and Mapping, Airport Consultants Council, American Council of Independent Laboratories, American Council of Engineering Companies, American Electronics Association, American Institute of Architects, Associated General Contractors of America, Business Ex-

ecutives for National Security, Construction Management Association of America, Contract Services Association of America.

Design Professionals Coalition, Electronic Industries Alliance, Information Technology Association of America, Management Association for Private Photogrammetric Surveyors, National Association of RV Parks and Campgrounds, National Defense Industrial Association, National Federation Of Independent Business, Professional Services Council, Small Business Legislative Council, Textile Rental Services Association of America, The National Auctioneers Association, United States Chamber of Commerce.

Mr. Chairman, I urge all of my colleagues to follow the advice of that letter and support this commonsense taxpayer-first amendment to oppose the underlying provision to benefit public-sector union bosses by keeping cost-saving competition available to the government.

Mr. Chairman, I reserve the balance of my time.

Mr. SERRANO. Mr. Chairman, I rise in opposition to the amendment.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SERRANO. Mr. Chairman, the provisions of this bill ensure that when Federal employees compete with private contractors, it will be done on a level playing field.

The administration's push to contract out Federal employees' jobs is part of a massive push towards private contracting by this administration. Federal contracts rose from 207 billion in 2000 to roughly 400 billion in 2006.

The New York Times reported in February that the increase in contracting is driven by a philosophy that encourages outsourcing almost everything government does. I may add that the day is not far off when they will try to outsource the Congress.

The administration claims that it wants a smaller government, yet it has promoted a hidden workforce of private-sector contractors and grantees who get rich off the government, but are not accountable. The number of contractors increased by 2.5 million since 2002, which is 98 percent higher than the slight increase in the Civil Service workforce.

Congress has raised serious questions regarding the cost-effectiveness in this level of contracting and of outsourcing many Federal employees' functions. In many cases we see government employees working side by side with contractors with the same responsibilities, yet their compensation, benefits, protections and accountability are much different. These are serious issues.

This amendment would strike the modest improvements in the competitive sourcing language that has been carried on appropriations bills for several years. These improvements would help protect the rights of Federal employees.

And let me just comment on the fact that this amendment not only takes out the language that was included in